
HOUSE BILL No. 1078

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-10-11.

Synopsis: Sliding scale ICHIA premium payments. Requires the comprehensive health insurance association (ICHIA) to develop a sliding scale to establish the percentage of premium payments made for an association policy by an insured and by a third party. (The introduced version of this bill was prepared by the health finance commission.)

Effective: July 1, 2002.

Frizzell

January 8, 2002, read first time and referred to Committee on Rules and Legislative Procedures.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1078

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-8-10-11 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2002]: **Sec. 11. (a) If a third party pays any part of an insured's**
4 **premium for an association policy, the parts of the premium that**
5 **are paid by the:**

6 **(1) insured; and**

7 **(2) third party;**

8 **shall be determined according to the sliding scale developed under**
9 **subsection (b).**

10 **(b) The association shall develop a sliding scale to establish the**
11 **percentage of premium payments made for an association policy**
12 **by:**

13 **(1) an insured; and**

14 **(2) a third party;**

15 **when a third party pays a part of the insured's premium.**

16 **(c) The sliding scale developed under subsection (b) must:**

17 **(1) be based on the annual gross income of the insured and, if**



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the insured is:

(A) a dependent, the annual gross income of the insured's parent or guardian; or

(B) married, the annual gross income of the insured's spouse; and

(2) except as provided in subsection (d), provide for an insured to pay not more than twenty-five percent (25%) of the premium payment.

(d) If third party funding is insufficient to pay the difference between the amount of the premium payment and the amount to be paid by an insured under the sliding scale developed under subsection (b), the insured may pay more than twenty-five percent (25%) of the premium payment required for coverage under an association policy.

(e) Subject to subsection (c)(2), the association may annually adjust the sliding scale developed under this section.

(f) This section does not require the association to reduce the total premium to be collected with respect to any person.

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